

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5041-01
Bill No.: HB 1265
Subject: Mental Health; Licenses - Professional; Political Subdivisions
Type: Original
Date: February 4, 2014

Bill Summary: This proposal prohibits political subdivisions from discriminating between licensed professional counselors and other mental health professionals when promulgating regulations or recommending services.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(Up to \$3,071,449)	(Up to \$3,792,625)	(Up to \$3,902,611)
Total Estimated Net Effect on General Revenue Fund	(Up to \$3,071,449)	(Up to \$3,792,625)	(Up to \$3,902,611)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Federal Funds*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds*	\$0	\$0	\$0

* Income and expenditures up to approximately \$6 million annually net to zero.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Social Services** assume currently, this section allows reimbursement for the provision of psychology and counseling services to children by psychologists, provisionally licensed psychologists, licensed or provisionally licensed professional counselors, licensed or provisionally licensed clinical social workers, licensed psychiatrists and psychiatric clinical nurse specialists.

Reimbursement is allowed for adults receiving psychology and counseling services provided by a licensed psychiatrist, licensed psychiatric clinical nurse specialist and licensed psychologist as well as licensed or provisionally licensed clinical social workers who are members of Federally Qualified Health Care centers or Rural Health Centers. However, reimbursement is not allowed for these services provided to adults by a licensed or provisionally licensed professional counselor (LPC).

In order to estimate the possible expenditure for allowing reimbursement to LPCs for services provided to adults, a proxy was found by reviewing the expenditures for services provided to children and adults by psychologists. The expenditures for adults were about 63.97% of the expenditure for children. Therefore, the same percentage was applied to expenditures for LPCs for children to estimate the possible expenditure for adults. The amount expended in FY13 for LPCs for children was \$14,744,573. Therefore, the annual amount estimated for adults in 2013 is \$9,432,103 ($\$14,744,573 \times 63.97\% = \$9,432,103$). A 2.9% medical inflation was applied for FY14 - FY17, with the cost for FY15 being only 10 months.

FY 15:	\$8,322,581 total (\$3,071,449 GR, \$5,251,132 Federal)
FY 16:	\$10,276,724 total (\$3,792,625 GR, \$6,484,099 Federal)
FY 17:	\$10,574,749 total (\$3,902,611 GR, \$6,672,138 Federal)

Oversight assumes there would be some redistribution of services from recipients moving between MO HealthNet mental health providers. Oversight assumes MHD's estimates to be the maximum potential increase in costs and therefore will present the costs as "Up to" the amounts provided by MHD.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that

ASSUMPTION (continued)

this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials at the **Department of Mental Health (DMH)** assume an unknown impact less than \$100,000 from this proposal. This proposal modifies language in §337.503 related in licensed psychologists, professional counselors, and social workers. The current language prohibits entities of government from discriminating between persons who are licensed under Chapter 337, RSMo.

This proposal would include other mental health professionals as defined in §632.005. These would include "psychiatrist, resident in psychiatry, psychologists, psychiatric nurse, licensed professional counselor (LPC), or psychiatric social worker."

The DMH is concerned this proposal could cause operational problems:

- 1.) This proposal may require the DMH to revise existing position descriptions and applicable pay scales for positions that require a particular degree.
- 2.) This proposal could create a conflict with the requirements for hospitals under the standards set by The Joint Commission and Centers for Medicare and Medicaid Services. The DMH would adhere to the requirements of hospital accreditation.
- 3.) The fiscal impact to DMH is an unknown cost less than \$100,000.
- 4.) This proposal may have a positive impact on MO HealthNet.

Oversight assumes that any costs from DMH relating to this proposal could be absorbed within their current appropriation level.

Officials at the **Office of the Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

ASSUMPTION (continued)

Officials at the **Joint Committee on Administrative Rules** assume no fiscal impact beyond their current appropriations from this proposal.

Officials at the **Department of Economic Development** assume no fiscal impact from this proposal. They do not regulate these services.

Officials at the **Department of Corrections**, the **Office of Administration**, the **Office of the State Public Defender**, the **Department of Agriculture**, the **Office of the Governor**, the **Office of Prosecution Services**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Labor and Industrial Relations**, the **Office of the State Auditor**, the **Office of the State Treasurer**, the **Office of the State Courts Administrator**, the **Department of Public Safety - Missouri Highway Patrol**, the **Department of Higher Education**, the **Department of Health and Senior Services**, the **Missouri Department of Transportation**, the **Department of Natural Resources**, the **Department of Revenue** and the **Department of Elementary and Secondary Education** each assume no fiscal impact to their respective agencies from this proposal.

Officials at **St. Louis County**, the **City of Columbia**, **Cole County**, the **City of Jefferson**, the **City of Kansas City**, the **Fulton Public Schools** and the **Francis Howell School District** each assume no fiscal impact to their respective organizations from this proposal.

Officials at the Lieutenant Governor's Office did not respond to **Oversight's** request for fiscal impact.

Officials at the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark, Lebanon, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O'Fallon, Pacific, Peculiar, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight's** request for fiscal impact.

Officials at the following counties: Andrew, Audrain, Barry, Bates, Boone, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cooper, DeKalb, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, St.

ASSUMPTION (continued)

Charles, St. Francois, Taney, Warren, Wayne and Worth did not respond to **Oversight's** request for fiscal impact.

Officials from the following school districts: Blue Springs, Branson, Caruthersville, Charleston R-I, Cole R-I, Columbia, Fair Grove, Harrison R-IX, Independence, Jefferson City, Johnson County R-7, Kansas City, Kirksville, Kirbyville R-V, Lee's Summit, Malden R-I, Malta Bend, Mexico, Monroe City R-I, Nixa, Parkway, Pattonville, Raymore-Peculiar R-III, Raytown, Riverview Gardens, Sedalia, Sikeston, Silex, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, St. Charles, Sullivan, Warren County R-III, and Waynesville did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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GENERAL REVENUE FUNDS

<u>Costs - Department of Social Services - reimbursement to LPCs for services provided to adults</u>	(Up to <u>\$3,071,449</u>)	(Up to <u>\$3,792,625</u>)	(Up to <u>\$3,902,611</u>)
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ESTIMATED NET EFFECT ON GENERAL REVENUE FUNDS	(Up to <u>\$3,071,449</u>)	(Up to <u>\$3,792,625</u>)	(Up to <u>\$3,902,611</u>)
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FEDERAL FUNDS

<u>Income - DSS - MHD</u> § 337.503 - Program reimbursements	Up to \$5,251,132	Up to \$6,484,099	Up to \$6,672,138
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<u>Costs - Department of Social Services - reimbursement to LPCs for services provided to adults</u>	(Up to <u>\$5,251,132</u>)	(Up to <u>\$6,484,099</u>)	(Up to <u>\$6,672,138</u>)
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ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Local Government

FY 2015
(10 Mo.)

FY 2016

FY 2017

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Small businesses could be impacted as a result of this proposal.

FISCAL DESCRIPTION

This bill prohibits an official, employee, board, commission, county, municipality, school district, agency of the state, or any other political subdivision from discriminating between psychologists, professional counselors, and social workers licensed under Sections 337.500 to 337.540, RSMo, and other mental health professionals licensed under Chapter 337 or as defined in Section 632.005 when establishing regulations or when requiring or recommending services that can be legally performed by persons licensed under Sections 337.500 to 337.540.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Mental Health
Office of the Attorney General
Joint Committee on Administrative Rules
Department of Economic Development
Department of Corrections
Office of Administration
Office of the State Public Defender
Department of Agriculture
Office of the Governor
Office of Prosecution Services
Department of Insurance, Financial Institutions and Professional Registration
Department of Labor and Industrial Relations
Office of the State Auditor
Office of the State Treasurer
Office of the State Courts Administrator
Department of Public Safety - Missouri Highway Patrol

NM:LR:OD

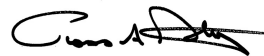
SOURCES OF INFORMATION (continued)

Department of Higher Education
Department of Health and Senior Services
Missouri Department of Transportation
Department of Revenue
Department of Elementary and Secondary Education
St. Louis County
City of Columbia
Cole County
City of Jefferson
City of Kansas City
Fulton Public Schools
Francis Howell School District
Department of Social Services
Office of the Secretary of State
Department of Natural Resources

Not Responding

Lieutenant Governor's Office

Mickey Wilson, CPA
Director
February 4, 2014



Ross Strobe
Assistant Director
February 4, 2014